

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00

L-03 SS-15 NSC-05 TRSE-00 /076 W

-----107458 201933Z /44

R 191956Z JUL 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0435

INFO AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: EAIR, GW, AS, CA, DA, FR, JA, KS, MX, NL, NO,

NZ, RP, SW, UK

SUBJECT: CIVAIR - CALIFORNIA PROPERTY TAX ON FOREIGN
AIRLINES

REF: STATE 169382

1. SUMMARY: IN REPLY TO QUESTIONS RAISED IN PARA. (7)
REFTEL, EMBASSY CAN REPORT THAT US AIR CARRIERS ARE
EXEMPTED FROM FEDERAL AND LOCAL TAXES IN THE FRG.
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2. UNDER THE TERMS OF THE DOUBLE TAXATION AGREEMENT,
US CARRIERS ARE EXEMPTED FROM TRADE TAX (LOCAL),
PROPERTY TAX (FEDERAL), AND TAX ON CORPORATE INCOME
(LOCAL). IN ADDITION, US CARRIERS ARE EXEMPTED FROM
PAYMENT OF VALUE-ADDED TAX (VAT) IN ACCORDANCE WITH
GERMAN LAW ON THE BASIS OF RECIPROCITY (VAT LAW OF

NOVEMBER 16, 1973, PARA. 26, SUB-PARA. 3, NOS. 1 AND
2). WITH RESPECT TO VAT, IT SHOULD BE NOTED THAT
PAN AMERICAN IS ALSO EXEMPTED FROM THE PAYMENT OF THIS
TAX FOR ITS IGS-BERLIN SERVICES, WHILE DEUTSCHE
LUFTHANSA (DLH) IS SUBJECT TO THIS TAX FOR ITS
DOMESTIC OPERATIONS.

3. FUEL TAX, PRESENTLY AT A LEVEL OF AROUND 50, IS
NOT APPLICABLE TO AVIATION FUEL FOR BOTH DOMESTIC
AND INTERNATIONAL OPERATIONS.

4. THERE IS NO TAX COMPARABLE TO THAT OF THE
CALIFORNIA PROPERTY TAX IN THE FRG.

STOESSEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRLINES, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN13255
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Errors: N/A
Expiration:
Film Number: D780298-0921
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780744/aaaablcn.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7cd5b370-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 78 STATE 169382
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
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TAGS: EAIR, GE, AS, CA, DA, FR, JA, KS, MX, NL, NO, US
To: STATE
Type: TE
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Review Markings:
Sheryl P. Walter
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